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EXAMINER

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**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 09/705,559
Filing Date: November 02, 2000
Appellant(s): MCCLUSKEY ET AL.

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GROUP 3600

Gary R. Jarosik
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed September 20, 2004.

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(1) *Real Party in Interest*

A statement identifying the real party in interest is contained in the brief.

(2) *Related Appeals and Interferences*

A statement identifying the related appeals and interferences which will directly affect or be directly affected by or have a bearing on the decision in the pending appeal is contained in the brief.

(3) *Status of Claims*

The statement of the status of the claims contained in the brief is correct.

(4) *Status of Amendments After Final*

The appellant's statement of the status of amendments after final rejection contained in the brief is correct. This is inferred from Appellants' statement at section IV of the Appeal Brief which states that no further amendments to the Claims are pending.

(5) *Summary of Invention*

The summary of invention contained in the brief is correct.

(6) *Grounds for Rejection to be Reviewed on Appeal*

The appellant's statement of grounds for rejection to be reviewed on appeal is correct.

(8) *Claims Appealed*

The copy of the appealed claims contained in the Appendix to the brief is correct.

(9) *Prior Art of Record*

2002/10044758	TALIB et al.	11-2001
6,304,864 B1	LIDDY et al.	10-2001

(10) *Grounds of Rejection*

The following ground(s) of rejection are applicable to the appealed claims:

Claims 1-3, 6-7 and 9-13 re rejected under 35 U.S.C. 101. This rejection is set forth in a prior Office Action, mailed on May 28, 2004

Claims 1-16 are rejected under 35 U.S.C. 103(a). This rejection is set forth in a prior Office Action, mailed on May 28, 2004.

(11) *Response to Argument*

Appellants begin argument at page 4 of the Appeal Brief.

1) Discussion of rejections of Claims 1-3, 6-7 and 9-13 rejected under 35 U.S.C. 101.

The Examiner first notes that Appellants fail to address the June 1, 2004 rejection of Claims 1-3, 6-7 and 9-13 under 35 U.S.C. 101. The Examiner understands this to be acquiescence Appellants with these grounds of rejection. The Examiner further provides the discussion below regarding the necessity of a technological basis recitation within Claim language.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The

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phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

The discussion above further supports the rejections under 35 U.S.C. 101.

2) Discussion of rejection of Claims 1-16 rejected under 35 U.S.C. 103(a).

At page 4, fourth paragraph, to page 5, Appellants repeat the limitations of Claim 1 and the Examiner's citations to the references relied upon. Appellants repeat the Examiner's reason to combine the references.

At page 5, second paragraph, Appellants discuss the impermissibility of hindsight reasoning in application of prior art in a rejection. In response to applicant's suggestion that the examiner's conclusion of obviousness is based upon improper hindsight reasoning, it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosure, such a reconstruction is proper. See *In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971). The Examiner holds that both the *Talib* and *Liddy* references relate to searching for information sought by users. The *Talib* reference was relied upon for its teachings regarding search methods for customers seeking product information; *Liddy* was relied upon for its disclosure of the use of sourcing agents for extended customer searches. The Examiner has provided a motivation to combine the references at page 4 of the prior office action which is not refuted by Appellants.

At page 6, Appellants suggest that there is no objective reason to combine the references in their citation of *In re Kotzab*. They fail, however, to provide any evidence as to why the motivation to combine provided by the Examiner is deficient. Appellants further cite *In re Ratti* but fail to explain the how the principles of operation of the references are changed by modification.

At pages 6, first full paragraph to page 7, Appellants essentially argue that *Talib* searches in a closed universe, isolated from all other search methods. While it is true that *Talib* is a closed system, Appellants read the *Talib* reference in isolation and misread the rejection of the June 1, 2004 office action. First, the Examiner did not rely on *Talib* to teach that a search outside an electronic database was performed if a product is not found. At page 3, the Examiner cited, Figs. 10-11 and paragraphs 120-146 which do disclose *subsequent* searches; *Liddy* was relied on for the disclosure of searches outside an initial searched database. Secondly, Appellants at last paragraph, page 7 to page 8, recite claim language, but argue only that *Talib* does not disclose particular limitations; there is no consideration of the *Liddy* reference and its modification of *Talib*.

Further, Appellants fail to recognize that the closed system of *Talib* that they argue is but one embodiment disclosed by *Talib*. This is clear from paragraph 029, which clearly states that the embodiment argued by Appellants is only an alternative one. It was determined in *In re Lamberti et al*, 192 USPQ 278 (CCPA) that:

- (i) obviousness does not require absolute predictability;
- (ii) non-preferred embodiments of prior art must also be considered; and
- (iii) the question is not express teaching of references, but what they would suggest.

For this reason, Appellants' arguments regarding the single embodiment they cite are flawed. *Talib* does disclose an embodiment that returns an empty set of results requiring an expanded search, such as that of *Liddy*.

At page 7, last paragraph to page 8, Appellants assert that *Talib* fails to disclose several claim limitations. Appellants do not however, identify any specific limitation unaddressed by the rejections, nor do they explain why the Examiner's reading of the cited references is

incorrect. At the end of the first paragraph of page 8, they restate the argument *Talib* operates in a closed universe; this is addressed elsewhere in this Examiner's Answer.

At page 8, first full paragraph, Appellants again read *Talib* too narrowly. They suggest that *Talib* limits searches and would prevent searches outside its databases. As a practical matter, if *Talib* provided a truly universal database, it would obviate the need for searching outside of its purview. This is clearly not the case, as the variety of search engines and objects searched for demonstrates. At Background of the Invention, *Talib* discusses traditional search methods, akin to those of *Liddy*, and at Summary of the Invention describes the invention as an improvement on these traditional search methods.

At page 9, Appellants argue that *Liddy* discloses the searching that *Talib* seeks to avoid. Nowhere in *Talib* is this concept of avoiding set forth. The references do teach different aspects of searching and provide different elements for the rejections, but are hardly incompatible. The Examiner notes that *Talib* discloses searching by its invention of Internet web sites. See *Talib* at paragraphs 071-081. This is exactly the environment that Appellants admit is the search universe of *Liddy* at page 9, first full paragraph of the Appeal Brief. *Talib* does indeed search the "vast numbers of electronically stored records" of Internet websites as attributed to *Liddy* by Appellants; *Talib* does not avoid such a search, although Appellants make such an incorrect assertion.

At page 9, last paragraph, Appellants argue that modification of *Talib* by *Liddy* would change the operation of *Talib*. *Talib* clearly does not disclose just the restricted search described by Appellants. As noted above, the structured search argued by Appellants is but one embodiment disclosed by *Talib*; the other is an open search akin to that of *Liddy*. Appellants

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refer to “express language” of *Talib* that argues against modification of *Talib* by *Liddy*, but fail to cite any language of *Talib* supporting this assertion.

As to Appellants’ argument at page 10 that *Liddy* does not suggest modification of *Talib*, Appellants ignore the motivation to combine the references based on what one of ordinary skill in the searching arts would see as obvious. The Examiner specifically set out such a motivation at the page 4, first full paragraph of the June 1, 2004 office action. The motivation is not substantively addressed by Appellants and remains unrefuted. *Talib* was cited as teaching most of the steps of the claimed invention of providing a customer regarding a product; the reference discloses both searching in a closed system and one of the breadth of the Internet, as set forth above. *Liddy* was cited to show the use of sourcing agents in such searching in exactly the same Internet environment and makes a logical combination with *Talib* to provide automated searching over broader areas. Appellants’ fundamental argument seems to be that a searcher using the invention of *Talib* would have to be satisfied with whatever products it could offer up and would avoid using the automated, broader search of *Liddy*. This is counterintuitive and cannot provide substantive argument against the combination. Further, the proposition that the issue of obviousness is not determined by what the references expressly state but by what they would reasonably suggest to one of ordinary skill in the art is supported by decisions in *In re DeLisle* 406 Fed 1326, 160 USPQ 806; *In re Kell, Terry and Davies* 208 USPQ 871; and *In re Fine*, 837 F.2d 1071, 1074, 5 USPQ 2d 1596, 1598 (Fed. Cir. 1988) (citing *In re Lahu*, 747 F.2d 703, 705, 223 USPQ 1257, 1258 (Fed. Cir. 1988)). According to *In re Jacoby*, 135 USPQ 317 (CCPA 1962), the skilled artisan is presumed to know something more about the art than only what is disclosed in the applied references.

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For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,


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crk

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